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THE CONTINUING IMPROVEMENT  
OF AMERICAN INTELLIGENCE CAPABILITIES

*State of Intelligence*  
*DCI's*  
*brief to SSC - 7 Mar 79*

Our nation's intelligence activities are undergoing profound changes which already are demonstrating improved performance and potential. Don't believe many Americans, other those your's and House Committee and relatively few Exec Branch, comprehend extent and importance of changes. Hence I'd like to discuss what they are and why. There are three factors forcing these changes:

- The changed role which the United States sees for itself in international affairs since the end of the Vietnam war;
- The greater interest of the American public in matters of intelligence since the investigations of intelligence abuses during 1975-1976;
- The burgeoning capabilities, and costs, of sophisticated intelligence collecting techniques.

Let us examine each of these factors and what adaptations of the traditional approach to intelligence they dictate.

I. Changing U.S. Role in the World.

U.S. in state transition - activist - interventionist approach to foreign affairs - to one of more measured use of influence abroad

Implicit recognition that there are real limits on ability to intervene mil, pol or econ in affairs others

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1. Visibility - influence of world opinion

- Greater visibility of foreign policies and particularly interventions today
- The revolution in international communications means:
  - \* what we do is instantly known around the world
  - \* also means will be widespread attention to it and
    - criticism or
    - approbation
- I perceive a clear power to influence by means of such criticism/approbation of international community, even though that community generally composed of nations 2nd/3rd order real power. In effect, limits/constraints being forged often by cries of the powerless.
- Today some endeavors of industrialized/traditional big powers cannot succeed without LDC cooperation
  - e.g. Law of the Sea
  - Anti-hijacking/hostage sanctions
- Because 1 vote/country

2. Uncertainty who to support

- image of monolithic communism punctured - no longer easy to pick sides in international arena - and decide where might want to intervene

Look at some choices we've had recently:

- Ogaden/Ethiopia - side Soviets against was Marxist dictator who's aggressor - or

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globe today - Pol Pot - or

- even Iran - if had truly understood degree of discontent with Shah and his policies - should we still back him just because been valuable, trusted ally STAT should been expected to predict and aged, religious figure living in exile would arise with the charisma to ignite a nation?

White hats/Black hats

3. Lesser ability today to effect change if do intervene - circumscribed by several factors

- 1) Attitude of fie on both the house of Romanov and house of Washington - influence short of mil pressure

- India/Pakistan - Soviets and US
- Yugoslavia - historically not pro US or pro Soviet
- Albania - can thumb nose at US, Soviets, and PRC at same time
- Iraq - anti-US; growing anti-Communist
- Brazil - anti-Communist but also growing more anti-US (human rights)
- Sweden - tough on Soviets and US

- 2) In part, defense dynamic, i.e., modern weaponry is such, that superior military power may not be enough - defensive, disruptive armaments can give even militarily superior aggressor tough time:

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- now, ironically, VN and Pol Pot

Chances success intervention - mil/pol lessened

4. That when national interests are changing, it is more difficult to gain consensus - what objective worth

- After VN - consensus not to intervene anywhere short of W. Europe (almost)

- After 1973 oil embargo, much more focus on Mideast oil

- But recent clamor on Iran has not been to intervene, but to presume that if CIA had provided perfect intelligence, somehow, the result would have been different

\* little discussion of what we could have done to influence events there

\* besides that, we've thought more of how Indonesia, Sudan, and Egypt, for example, have all sunk beneath the red tide only to reemerge on a subsequent wave nice

- Today we question not only our ability to influence events abroad but the need to do so.

Yet, U.S. must exercise its influence behalf free world

More subtle long term exercise of influence vice finger in dike

Need for longer term approach built on more subtle understanding of international, political, economic as well as military, events

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Former stress on military and pol crisis intell  
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necessary and still required. Additive requirements  
in econ, cultural, fundamental pol, terror, scientific,



In part requires development of new disciplines; of inter-disciplinary analysis; and of more assets for both analysis and collection.

In part, proper ID areas of concentration.

Also, new approach to estimative process

Displaying the facts has been key point in  
military estimates. Military commanders want  
to know what facing.

U.S. military particular disdain for estimates  
of intentions - why -

Led to a style of estimating that emphasized consensus  
among CIA, DIA, Services and State

Not too dangerous

Aircraft range - if estimates are 2,000 and  
1,000, 1,500 probably reasonable best guess  
(both estimators have taken extreme positions  
in anticipation of compromise)

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In econ/pol estimating or mil intentions - quite the  
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contrary -

Whether enemy will attack on Monday or Friday?

Wednesday only surely wrong answer

Whether regime in country x stable or not -

Therefore 2 approaches required:

1. Decisive choice
2. Display of alternative argumentation

Thus the estimating process is evolving:

More important, DCI as President's senior intell  
advisor must be intimately involved in estimating  
process in order to:

- give sound advice;
- ensure that estimating process does not  
degenerate into "least common denominator"  
compromises that have characterized past

When there are differences, however, is essential that  
they be explained -

In pol/econ spheres much more important than mil -  
is essence of intel product - explication of  
pressures pro and con more valuable than flat  
predictions

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Thus change today is to strengthen DCI authority to  
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coordinate estimates, but to ensure independence of  
DIA, INR, etc.; and full explication of their views  
when different from DCI's.

Dissenting views vice comments; progress, not  
there yet,

To go back to my comment that need expand disciplines and inter-  
disciplinary analysis - importance here expands as we move more  
and more from tech and mil to other spheres.

Looking at basic recruiting, training and retention techniques.  
e.g.:

- 1) Attempting provide more overseas opportunities for analysts
- 2) Attempting provide career pattern for pure analysts want  
remain with their expertise rather become managers
- 3) But I am concerned that America's educational foundation  
is withering in many areas uniquely important to intel-  
ligence - the combination of foreign language competence  
and an area or functional discipline, for example.

On interdisciplinary side establishing more fora for discussion  
more task force type cells for special areas of concern, e.g.  
Cuba, Iran.

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And have created a NID for keeping a constant alertness beyond individual analyst concerns to trends and successive developments that may mean trouble, not just tomorrow but over horizon.

As for ID areas for concentration analytic and collection resources - experimenting with technique of involving top policy makers more in establishing our priorities. NITs. Important - not there yet.

From that guidance - from my own sense - ID following key developments which will impose new or increased demands on intell:

Looking at geographic areas -

1) Iran/Middle East.

- danger of civil war in Iran in short term and immense implications for long
- Israel-Egypt search for accommodation
- changes in regional power structure/balance
- will Pakistan and Turkey, on either side, remain free of Sov influence
- will Saudis rise to exercise influence have/can have

2) Yugoslavia

- Tito's age--possible waning of power
- jockeying of extant opposition forces
- unpredictability of USSR reaction to succession
- period of Balkan instability after Tito's death and possible Albanian succession

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(3) South Africa

- signs PM moving to more moderate stand on race relations, though not on who governs white South Africa.
- trend toward moderation could defuse or ignite area depending on how astutely done and at what pace
- direct affect on US-needed materials
- influence on rest of Africa uncertain

(4) Korea

- tentative signals from North and South Korea to talk about reunification will further upset status quo
- adjustment to revised US-PRC; PRC-Japn relationships

(5) PRC

- greater access by US
- may change way we watch USSR
- need to rethink China-watching; do we have expandable capabilities of the right kind?--need for Chinese language experts
- US-USSR-PRC relationships undergoing readjustment
- effects of rapid modernization on both PRC and neighbors - will succeed
- will remain stable

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A major characteristic of these predominantly politically or economically influenced problems is that our accurate reading of them will depend much more on good HUMINT than technology. It may be necessary to reallocate HUMINT resources and increase/change analytic expertise.

Social/Economic.

1) Raw Materials/Energy

- by 1985 US will import 50% of raw materials including iron ore ~~and lead~~
- affect on US and 3rd World of tactics to restrict production, inflate prices, use for political leverage, etc.
- how anxiety over cutbacks may be manifest
- as 3rd World modernizes, their material/energy demands increase
- controls on foreign exploitation of reserves requires consumer adjustments
- affect on material constraints on war-fighting/deterrence capabilities

2) Population

- world population increases 1.4 million/week
- world population may reach 6 billion by 2000 (from about 4 billion today)
- energy needs increasing while sources of energy and raw materials decreasing
- prices increasing faster than wages
- pollution increasing

3) Food

- 1 billion people live in 40 underdeveloped countries along equatorial belt. 60% are malnourished, 20% border on starvation
- 1 of every 3 people in world (total: 1.3 billion) live in a country that does not grow enough to adequately feed its population (70% live in 4 Asian countries; the rest in Africa and Latin America)
- every year, demand for food and consumer products increases by 4%
- disproportionate consumption creates pressures; average grain consumption/year in US = 1850 lbs/person; in Africa and S. Asia = 380 lbs/person
- pressures developed by inadequate crops or unforeseen crises

(4) Nuclear Proliferation

- The production of nuclear weapons is already within the technological and economic capabilities of many countries (non-nuclear weapons states), and the number is growing
- Without violating safeguards (IAEA and NPT), these countries could accumulate sufficient fissile material, complete the necessary nuclear explosive research and development work, and thus be in a position to make nuclear explosives on short notice
- Countries not parties to the NPT (or having otherwise unsafeguarded nuclear facilities and materials) could achieve the capacity to make nuclear explosives even more easily or secretly

(5) Industrial production/markets

Present imbalance w/Japan--Germany

Future - China industrialize

Not just high market

Every LDC want escape agriculture/raw material syndrome

How rationalize

How protect US interests - find make

These requirements call for new areas of analysis, new expertise -

Also collection of non-espionage data in most cases - collation often answer

Military

(1) Arms Control

- Requirements on intelligence to monitor US arms limitation

agreements will rise markedly with SALT II's broader coverage

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and qualitative limitations. Projected provisions of SALT II

have been developed with verification needs significantly  
in mind.

\* MBFR, CTB, ASAT, CAT, Indian Ocean and Chemical  
Warfare negotiations each also involve complex  
verification challenges.

\* While we don't yet know the scope of SALT III, we  
can presume it will include harder qualitative  
verification problems and relationships between  
"strategic" and "theater" systems.

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2) Sov mil impulsion - must keep track -

3) Smaller outbreaks - SEA, Korea, M.E., Africa

All require more technical collection

Unsure quantitative requirements if all arms control negotiations  
succeed

Moving to areas like radar to fill vast blank in tech  
capabilities

Challenge of squeezing all in within \$

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Investigations eroded confidence, support

Generated suspicions of invasions of privacy

Enough true (even tho much exaggerated) that corrective  
action necessary

Action very thorough

Oversight procedures: Pres, IOB, Congress -  
including press

Impact

Much greater visibility

Some wanted

Much unwanted

3 impacts on Community

1. Uncomfortable

Secrecy - necessity and habit; e.g. case officer's  
stock in trade is assurance of confidentiality

2. Accountability

New -

Techniques unfamiliar

Have adapted beautifully - but painful

Super budget presentations - FY '78 vs '80

3. Lessen valuable capabilities

A. Especially to C.A. - 2 aspects

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a) Domestic political issues -

Congress

b) Controversial policy issues -

Exec Branch

Hughes - Ryan?

2) Loss of flexibility due detailed  
guidance/control

Won't work that way

Spillover inhibition to intell collection

B. To intell collections

Risks of leaks - clearances

Reverse need for disclosure and hold closene

Lesser confidence - agents and allies

Net impact visibility:

Plus -

Must have public support

Must avoid abuses

Charters and practice of next 2-3 years will establish  
balance -

How much dos nation desire assurance against invasions  
of privacy and foreign policy moves considered unethical  
at some expanse in intell/covert action capabilities

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III. ~~Approved For Release 2005/06/29 : CIA-RDP82B00502R000900010009-3~~

New dimension of intell - referred to earlier - arms control - but  
want expand because magnificent opportunities if utilized well

Missing mechanism -

coordination of 3 elements - PHOTINT - SIGINT - HUMINT

Each an intell community on own -

Collect

Interpret

Produce

Especially need integrate HUMINT

Proper targeting HUMINT greatest need that area

Importance just as critical despite

burgeoning tech int

Intentions

\$/Manpower adequate -

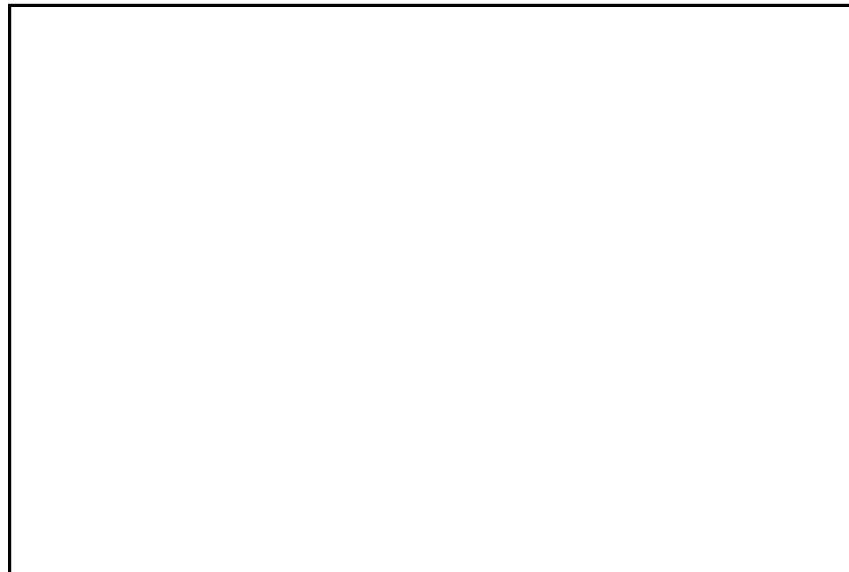
Nothing failed to undertake due lack

resources

25X1A

Leadership -

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Can't afford not to integrate all three  
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Cost

Missed opportunities

Pres. E.O. - strengthen DCI

Budget

As noted going well

Tasking

Incipient stages

Objective - max utilization of each system

Not how to do - but where/when to bring

forward - vice dependence on personal

contacts between analysts and collectors

e.g. NFAC - DDO

e.g. DIA - NSA

Also help to analysts - one-stop service

Major problems

1. Transition to greater dependence of tactical commanders  
on national systems

Potential is there

Can't afford duplication

Yet CDR must have

a) Responsiveness

b) Confidence

- Difficult generate confidence if not  
under direct control

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But many other elements of battle are not

Comm

Logistics

Inter-service report

Delicate balance

Instinctively military will draw into shell and  
recreate own systems under IRA and duplicate

Can't afford

2. Coverage of grey area between espionage and open source  
literature

Not easy fit for espionage organization

Atrophy in State

Concern Treas, Commerce, etc., with tainting of CIA

Must bring all elements USG into play

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IV. Add section on Iran "failure"

Boil down House Appropriations Committee testimony

V. Peroration

"All's well"

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